

Clients Reserve Account

Conditions of Use

Unless otherwise agreed in writing between you and us, Clients Reserve Accounts are operated according to the following conditions.

1. Definitions

'Account(s)' means any Clients Reserve Account(s), which we open and maintain for you;

'Agreement' means the agreement between us and you for the Account(s).

It comprises the application form and the Conditions and any changes or amendments to them as notified. This Agreement is a supplemental agreement to the Conditions of Use in relation to the Coutts Business Current Account held by you with the Bank ('BCA Conditions of Use') and shall be read together with the BCA Conditions of Use;

'Client' or **'Clients' Money'** means your clients and funds belonging to your clients held by you and deposited into an Account;

'Clients Reserve Account(s)' means any interest bearing designated or general clients' account;

'Conditions' means these or any other Conditions of Use from time to time in force including the BCA Conditions of Use;

'Designated Client Account' means any account held by us in your name and which is designated as holding funds beneficially owned by one or more clients who are named or otherwise identified in the title of that account;

'General Client Account' means an account held by us in your name and which is designated as holding funds beneficially owned by one or more clients who are not named or otherwise identified in the title of that account;

'we', 'our', 'us' or 'ourselves' means Coutts & Co; **'working weekday'** means any day between Monday and Friday (inclusive) excluding any UK Bank and Public Holidays. Words and expressions defined in the BCA Conditions of Use shall have the same meaning in these Conditions, unless the context indicates otherwise;

'you' or 'your' means the Account holder(s) who has/have signed the application for the service or the company or partnership on whose behalf the application has been signed.

2. The Clients Reserve Account is available to Account holders who are duly authorised to hold clients' monies and/or such other Account holders as we agree at our absolute discretion. The Clients Reserve Account is available in the following currencies:
 - (a) sterling;
 - (b) euro; and
 - (c) US dollar
3. We will act on your instructions in accordance with the mandate(s) in force for your Clients Reserve Account and these Conditions from time to time in force. For instructions given by telephone, see Condition 9 and for instructions given by facsimile or electronic means we will act on instructions given in accordance with procedures and on terms separately agreed with you. For your further security, we may require written confirmation in respect of telephone or facsimile instructions.
4. **Your Account**
 - 4.1 The money paid into your Designated Client Account belongs to the client of yours that you name in the Designated Client Account title that you provide to us when you open your Account.
You should notify us if you hold a General client account that only holds funds for Escrow purposes.
 - 4.2 **Tax reporting for Designated Client Accounts**
We are required to report information about the status of your clients to the tax authorities. In order for us to do this and to continue to provide you with the Account, you will need to:
 - Where appropriate as detailed in the 'Application Form – Clients Reserve Account', ensure that your client(s) complete and return to you a self certification form that we will provide to you (a 'self certification form for an individual – Tax Details' and/or a 'self certification form – Tax Details – Entity');
 - Check that the information provided by your client on the relevant self certification form is consistent with your records and knowledge of the client;
 - Return the completed, relevant, self certification form(s) to us and;

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- Notify us of any changes to your clients' circumstances which relate to the information provided on the self certification form.
- Your Private Banker will provide you with the relevant forms which need to be completed and guidance on how to do this. If you have any questions please get in touch with your Private Banker or Coutts 24 in the usual way.
- You must provide us with all reasonable assistance that we request in dealing with any questions we have about your clients or the information provided by them.

5. Running the Account(s)

- 5.1 Information on payments into and out of your Account(s) will appear in your statement, which we will provide to you on a regular basis (as agreed between you and us), and may also be made available at least once a month in the manner agreed between you and us at your request.
- 5.2 We will send you a statement of the Account(s) at least annually.
- 5.3 On receipt of your statement, you should check it and, if there is an entry which seems to be wrong, you should tell us as soon as possible and in any event within 13 months in accordance with Condition 18 of the BCA Conditions of Use so the matter can be resolved.
- 5.4 If you require additional information regarding any entry on the statement, please contact us as soon as possible.
- 5.5 We reserve the right to refuse any deposits. Where we refuse to act on an instruction relating to your Account(s), you can obtain information about the refusal and, if possible, our reason for refusing the instruction, along with information on how to correct any errors that led to the refusal, by phoning your Commercial Banker unless a legal reason or certain other limited circumstances beyond our control prevents us from providing you with this information.

6. Credit interest

- 6.1 Interest will be paid in accordance with the interest tiers and rates detailed in our Interest Rates Notice, which will be supplied on request and the rates are available at **coutts.com/rates-and-prices**.
- 6.2 We will send you an advice annually (or at any time on request) of the current rate applied to the Account(s) plus details of interest rates, which we have applied to the Account(s) during the year.
- 6.3 Interest is calculated quarterly at the end of February, May, August and November and is paid to the Account(s) at the start of March, June, September and December.

- 6.4 Interest on deposits held at an office situated in the United Kingdom is paid subject to UK law, and regulations governing deduction of income tax from interest earned, as they may vary from time to time.
- 6.5 You can find information about our interest rates by:
 - asking your Commercial Banker;
 - calling Coutts24;
 - visiting **coutts.com**;
 - logging into online banking;
 - referring to your account statement.

7. Borrowing

- 7.1 You are not permitted to overdraw the Account. If an overdraft arises we will treat your instruction which creates the overdraft as a request for an unarranged overdraft. We may exercise our sole discretion and, without contacting you, allow an overdraft to be created. In these circumstances the overdraft is an unarranged overdraft.
- 7.2 If there are insufficient cleared funds available on the Account to meet any withdrawal, we may refuse such instructions.
- 7.3 Notice shall be effective whether or not it comes to your attention.
- 7.4 If an Account becomes overdrawn (and as long as the overdrawn balance does not arise as a result of our error):
 - 7.4.1 you undertake that you will, within two Working Weekdays of us asking you to do so, pay sufficient funds into the Account concerned to clear the overdraft;
 - 7.4.2 the amount of any overdrawn balance and accrued interest will constitute a debt due to us from you payable on our demand and will accrue interest from the date the overdraft arises until repayment by you (after as well as before judgment) at our Unarranged Borrowing Rate which is published in our offices and on our website **www.coutts.com**. Alternatively, please ask us about our published rates;
 - 7.4.3 we will provide written details to you of any unarranged overdrawn balances and accrued interest.

8. Your undertakings

- As client accounts will contain funds, which although under your control, belong to your Clients, for our protection and the protection of your Clients you undertake to us as follows:
- 8.1 that all Clients' account instructions you give us will be accurate and will be entirely in accordance with any obligations that you are under to the Client concerned or otherwise and whether these obligations are legal obligations or obligations of a professional or best practice nature;

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- 8.2 that the Clients Reserve Account facilities we provide to you and the manner in which you operate them is and will be entirely consistent with any legal obligations to which you are subject (whether these legal obligations are statutory, arise from regulatory or professional rules or are otherwise binding on you);
- 8.3 that if you need, and need to maintain, powers, consents or authorisations to enable you to enter into this Agreement and to operate the Agreement you have the necessary powers, consents and authorisations and will maintain them;
- 8.4 that when instructing us regarding client accounts you will take all steps necessary to ensure that instructions are authorised; you also authorise us to act upon instructions received from you without our taking steps to ensure either the authenticity or the authority of the person instructing;
- 8.5 that you will be solely liable to us for any loss to us resulting from the misuse of the Clients Reserve Account facilities whether the misuse was by personnel with or without user privilege;
- 8.6 that you will account to your Clients for interest earned on client accounts, or make payments in lieu of interest in each case entirely consistently with legal, professional and regulatory requirements binding on you;
- 8.7 that if you receive for your own account a benefit arising directly or indirectly from the operation of the Clients Reserve Account facilities your obtaining of the benefit is entirely consistent with legal requirements binding on you and if you are under a legal, professional or regulatory obligation to disclose the benefit to your Clients or certain of them or, to obtain their agreement to your obtaining the benefit, you will do so;
- 8.8 that, with regard to information you disclose to us concerning your Clients, if you need to be registered you have obtained and will maintain appropriate registrations under data protection legislation;
- 8.9 that only Client funds will be paid into client accounts;
- 8.10 that at any time, whether before or after opening a client account, if requested by us you will provide details satisfactory to us of all persons or entities on whose behalf you are holding funds or who are believed to have an interest in such funds and will obtain any such original items of identification from these entities or persons that we may deem necessary.
- 9. Banking by telephone**
- 9.1 If you wish to give us inter account transfer instructions by telephone, we will take all reasonable steps to identify and verify the caller and their authority on the Account(s) with us. We may, at our discretion, ask that you complete a separate authority in this regard and that authorised persons provide us with security information to aid verification. You must take care of this information including any passwords used for validation purposes, since it is essential to help prevent fraud and protect your Account(s). Please ensure that you:
- a) do not allow anyone else (except your authorised staff) to use this security information; and
 - b) always take reasonable steps to keep this security information secret at all times.
- 9.2 You authorise us to act on any instructions given after we have gone through the verification process, whether the instructions were authorised by you or not.
- 9.3 It is essential that you tell us as soon as you can if you suspect or discover that someone else knows the security information of you or any person authorised to give us instructions by telephone and may use it without your authority.
- 9.4 The fastest method of advising us is by telephone.
- 9.5 Once you have told us that someone else knows the security information of you or any authorised person, we will take immediate steps to prevent this information from being used. We will refund you the amount of any transaction (together with any interest and fees if appropriate) not authorised by you after you have told us that someone else knows the security information.
- 9.6 If the security information of you or of any authorised person is used without authority before you tell us someone else knows it, you will not be liable for any loss, unless you or such other authorised person has acted fraudulently or negligently, eg by not following Conditions 9.1 and 9.3 above.
- 9.7 If you wish to give us instructions by facsimile or telephone we may ask you to complete another mandate. For your further security, telephone and/or facsimile instructions may require written confirmation in respect of certain transactions eg high value payments, stopped cheques or lost and stolen reports.
- 9.8 We may record telephone conversations with you in order to resolve problems that may arise through misunderstanding or human error.
- 9.9 We may also record and monitor calls for the purposes of training and improving our service.
- 10. General Conditions**
- 10.1 Coutts & Co is covered by the Financial Services Compensation Scheme (FSCS). The FSCS can pay compensation to depositors if a bank is unable to meet its financial

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obligations. Our FSCS Information Sheet provides details of the scheme including a list of exclusions and will be provided on an annual basis and is available on our website. For further information about the compensation provided by the FSCS, refer to the FSCS website at www.fscs.org.uk.

- 10.2 The Conditions shall be interpreted according to English Law and the Account(s) shall be subject to English law and you and we submit to the exclusive jurisdiction of the English courts.
- 10.3 If we have a valid reason for doing so we may, at our discretion, add to or vary these Conditions and any other terms agreed with you, our banking hours, banking practices, account services and our fees by giving you notice in our offices, in the national press or by post. The change will apply from the date stated in the notice. If the change is to your advantage, we may make it immediately and give you notice by one of the above methods within 30 days. In all other cases, we will give you at least 60 days' notice by post to the last principal address we have. At any time up to 60 days from the date of the notice you may, without notice, switch the Account(s) or close it without having to pay any extra charges or interest for doing this.
- 10.4 We may change the interest rates which apply to your Account for any of the following reasons:
- 10.4.1 to enable us to respond proportionately to changes in the interest rates paid or charged by other banks and financial institutions on personal current and savings accounts;
 - 10.4.2 to reflect changes in the costs we reasonably incur in providing your Account;
 - 10.4.3 to reflect changes in the law or a decision by an ombudsman;
 - 10.4.4 to enable us to meet changed regulatory requirements;
 - 10.4.5 to reflect changes in any codes of practice to which we subscribe.
- 10.5 We may also change the interest rates which apply to your Account for any other valid reason.
- 10.6 If we are changing the interest rates we pay on credit balances in a way that is to your advantage, no notice will be given.
- 10.7 If we are changing the interest rates we pay on credit balances in a way that is to your disadvantage we will notify you not less than 60 days before the change comes into effect.
- 10.8 We may change interest rates on your Account(s) immediately and without telling you in advance if the interest rates track a specified rate or index or if the change is to your advantage.

- 10.9 If you give instructions contrary to any of these Conditions, we may, at our discretion and without affecting our other rights, refuse to act on the instruction. Where we refuse to act on an instruction relating to your Account, you can obtain information about the refusal and, if possible, our reasons for refusing the instruction, along with information on how to correct any errors that led to the refusal unless a legal reason or certain other limited circumstances beyond our control prevents us from providing you with this information.
- 10.10 We shall not be liable to you for any loss you may suffer if we are prevented from or delayed in providing you with any banking or other service due to strikes, industrial action, failure of suppliers or equipment or other causes beyond our control.

11. Ending the Agreement

- 11.1 The Agreement may be ended by you at any time by telling us, but the Agreement will only end when:
- a) all cheques issued in conjunction with any Card that guarantees payment have been presented and paid and all other amounts owed on the Account(s) have been paid; and
 - b) all unused cheques, card(s) and security devices have been returned to us.
- 11.2 We can close an Account at any time by:
- giving you at least 90 days' notice; and
 - telling you our reason for closing your Account.
- 11.3 We may close an Account on less notice (including immediately) and we may not tell you our reason for closing an Account if:
- we can't complete the checks that we need to carry out to understand our relationship with you, including how you're using the Account;
 - we reasonably suspect that the Account has been used, is being used or will be used in connection with a serious crime;
 - we are required to close the Account by the UK government or the UK regulator;
 - you gave us incorrect information when you opened the Account and we would not have opened the Account had you given us the correct information; or
 - you behave in a threatening, violent or offensive manner towards, or in the presence of, our staff; or
 - to do so would conflict with any other legal or regulatory requirement we're required to follow;
 - we reasonably believe that:
 - in the course of providing goods or services to a third party, you have engaged in conduct that involves, or is likely to involve, the commission of an offence; and
 - you have used the Account in connection with that conduct.

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12. Indemnity

- 12.1 As long as we comply with the terms of this Agreement (and as long as the liabilities incurred are not created as a result of our negligence, default or fraud or that of our employees) you agree to indemnify us against all liabilities of any sort incurred by us arising directly or indirectly from:
- 12.1.1 carrying out your instructions; and/or
 - 12.1.2 operating Clients Reserve Account facilities for you, and/or
 - 12.1.3 a breach by you of any of the terms of this Agreement.
- 12.2 The indemnity in Condition 12.1 covers all or any costs, claims, damages, fines, judgments or settlements incurred by or brought against us as a direct or indirect result of the liabilities described in Condition 11.1 together with any legal or other costs incurred by us or our agents when enforcing your indemnity.

13. Complaints

If you have a reason to complain about us, you should put this in writing and send the complaint to your Commercial Banker in the first instance. A leaflet detailing our complaints procedure is available on request. If, having given us the opportunity to resolve your complaint, you still remain unhappy, we will advise you of any rights to refer your complaint to the Financial Ombudsman at the following address:

The Financial Ombudsman Service Exchange Tower London E14 9SR by telephone on 0800 023 4567 or via email at: complaint.info@financial-ombudsman.org.uk.

For further information about the Financial Ombudsman Service please visit its website, www.financial-ombudsman.org.uk.

14. Your information

We will use your information in accordance with the clause headed 'Your information' which forms part of the Conditions of Use of your existing Business Current Account agreement with us. If you require a copy of that clause, please ask your Commercial Banker.

If you would like this document in another format such as Braille, large print or audio, please let us know.